



April 8, 2004

By Overnight Express Mail

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station
Boston, MA 02110

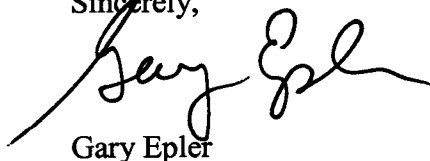
Re: Investigation Pursuant to G.L. c. 164 §§ 1A(a), 1B(d), 94 and
220 C.M.R. § 11.04 into Costs that Should be Included in
Default Service Rates;
Fitchburg Gas and Electric Light Company D.T.E. 03-88D

Dear Secretary Cottrell:

Enclosed for filing please find Fitchburg Gas and Electric Light
Company d/b/a Unitil ("Unitil") responses to the First Set of Information
Requests from the Department of Telecommunications and Energy
("Department") in the above-captioned filing.

Thank you for your attention to this matter.

Sincerely,



Gary Epler

Enclosure

cc: John J. Geary, Hearing Officer (2)
Sean Hanley, Rates and Revenue Requirements Division
Thomas Carey, Rates and Revenue Requirements Division
Barry Pearlmutter, Rates and Revenue Requirements Division
Service List

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Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company d/b/a Unitil
Docket No: D.T.E. 03-88D
Department's First Set of Document and Information Requests

Request No. DTE-FGE-1-1

For the years 2002, 2003, and 2004, please list the monthly costs (actual and projected) assessed to Unitil by the Independent System Operator – New England (“ISO-NE”) associated with the development, implementation, and ongoing operation and administration of New England – Generation Information System (“NE-GIS”). For each month, separate the costs into those associated with the Company's standard offer service obligations and default service obligations.

Response:

Please see Attachment DTE-FGE-1-1, which provides the requested information. Please note that Unitil has never been billed by ISO-NE for NE-GIS costs, associated with Unitil's Standard Offer Service obligations. However, its standard offer service provider has recently billed Unitil directly for these costs for the period beginning March 2003 through December 2003. The costs billed by the Standard Offer Service provider have been included in this Attachment.

Person Responsible: David K. Foote

Date: April 8, 2004

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company d/b/a Unitil
Docket No: D.T.E. 03-88D
Department's First Set of Document and Information Requests

Request No. DTE-FGE-1-2

Has ISO-NE revised the method by which it allocates NE-GIS costs to NEPOOL participants during the period 2002-2004? If so, please describe these revisions and discuss how the revised method has affected the NE-GIS costs allocated to the Company.

Response:

According to ISO-NE, the rules for the allocation of NE-GIS costs have not been changed since their initial implementation. However, there has been a change in the protocol for transfer of the wholesale, load-following obligations, which has affected the allocation of the NE-GIS costs.

NEPOOL accounts for wholesale, load-following obligations, using Load Assets. Unitil allocates its physical loads to a number of different Load Assets, representing Unitil's Standard Offer Service and Default Service obligations, and various external supplier's retail obligations. NE-GIS costs are allocated to those entities, owning Load Assets that represent retail loads, which are subject to Attribute Laws.

Prior to the implementation of Standard Market Design ("SMD") in NEPOOL, Unitil was able to transfer the default service wholesale obligations through a Load Asset Contract. Load Asset Contracts transferred the wholesale obligations, associated with a Load Asset, without changing the ownership of the Load Asset. As such, Unitil was the owner of the Default Service Load Assets prior to the implementation of SMD. As the owner of the Default Service Load Assets, NE-GIS costs were allocated to Unitil.

Upon the implementation of SMD, Load Asset Contracts were eliminated from the NEPOOL market settlement system. Complete transfer of load-following obligations, associated with a Load Asset, could be accomplished only by changing the ownership of the Load Asset from Unitil to the wholesale provider. Since the ownership of the Load Assets were changed to the wholesale provider, as was necessitated by the elimination of Load Asset Contracts, ISO-NE no longer billed Unitil directly for these costs.

Person Responsible: David K. Foote

Date: April 8, 2004

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Department of Telecommunications and Energy
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Request No. DTE-FGE-1-3

Is Unitil aware of any revisions the ISO-NE intends to make during the upcoming months regarding the method by which it allocates NE-GIS costs to NEPOOL participants? If so, please describe these upcoming revisions and discuss how the revisions will affect the Company. In particular, provide your best estimate of the monthly default service-related costs that the ISO-NE will assess to the Company under the revised allocation method.

Response:

According to ISO-NE, there are no pending changes to the allocation of the NE-GIS costs to NEPOOL Participants.

Person Responsible: David K. Foote

Date: April 8, 2004

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company d/b/a Unitil
Docket No: D.T.E. 03-88D
Department's First Set of Document and Information Requests

Request No. DTE-FGE-1-4

Please explain why Unitil has not included the NE-GIS costs associated with the Company's default service obligations (as identified in Information Requests DTE 2-1 through DTE 2-3 above) as a "direct retail cost" (defined in Procurement of Default Service, D.T.E. 02-40-B at 17 2003) (as a cost that a distribution company incurs strictly on behalf of its default service customers) to be included in the Company's default service rates.

Response:

Unitil has not included any NE-GIS costs as a "direct retail cost" because it has not been billed for any NE-GIS costs associated with its Default Service obligations since February 2003.

NE-GIS costs are allocated to the wholesale power suppliers of the retail load obligations, not to the retail provider. As such, these costs are allocated by ISO-NE to Unitil's wholesale suppliers of default service power, rather than to Unitil.

Person Responsible: David K. Foote

Date: April 8, 2004

Fitchburg Gas and Electric Light Company			
New England Generation Information System Support Costs			
	Default Service	Standard Offer Service	Status
January 2002	\$19	\$0	Actual
February 2002	\$8	\$0	Actual
March 2002	\$9	\$0	Actual
April 2002	\$18	\$0	Actual
May 2002	\$1,617	\$0	Actual
June 2002	\$396	\$0	Actual
July 2002	\$384	\$0	Actual
August 2002	\$488	\$0	Actual
September 2002	\$510	\$0	Actual
October 2002	\$371	\$0	Actual
November 2002	\$400	\$0	Actual
December 2002	\$395	\$0	Actual
January 2003	\$497	\$0	Actual
February 2003	\$526	\$0	Actual
March 2003	\$0	\$776	Actual
April 2003	\$0	\$706	Actual
May 2003	\$0	\$634	Actual
June 2003	\$0	\$814	Actual
July 2003	\$0	\$832	Actual
August 2003	\$0	\$968	Actual
September 2003	\$0	\$979	Actual
October 2003	\$0	\$834	Actual
November 2003	\$0	\$727	Actual
December 2003	\$0	\$986	Actual
January 2004	\$0	\$577	Projected
February 2004	\$0	\$441	Projected
March 2004	\$0	\$500	Projected
April 2004	\$0	\$500	Projected
May 2004	\$0	\$500	Projected
June 2004	\$0	\$500	Projected
July 2004	\$0	\$500	Projected
August 2004	\$0	\$500	Projected
September 2004	\$0	\$500	Projected
October 2004	\$0	\$500	Projected
November 2004	\$0	\$500	Projected
December 2004	\$0	\$500	Projected